

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

**JAMES A. TORCHIA,
CREDIT NATION CAPITAL, LLC,
CREDIT NATION ACCEPTANCE, LLC,
CREDIT NATION AUTO SALES, LLC,
AMERICAN MOTOR CREDIT, LLC,
and SPAGHETTI JUNCTION, LLC,**

Defendants.

Civil Action File No.

**PLAINTIFF SEC's EMERGENCY MOTION
FOR TEMPORARY RESTRAINING ORDER, ASSET FREEZE,
RECEIVER AND OTHER EQUITABLE RELIEF**

The Securities and Exchange Commission ("Commission" or "SEC") hereby moves this Court for an emergency order (1) temporarily restraining Defendants James Torchia, Credit Nation Capital, LLC ("CN Capital"), Credit Nation Acceptance, LLC ("CN Acceptance"), Credit Nation Auto Sales, LLC ("CN Auto"), American Motor Credit, LLC ("AMC"), and Spaghetti Junction,

LLC (“Spaghetti Junction”) (collectively, “Defendants”) from violating the antifraud and registration provisions of the federal securities laws; (2) freezing the assets of Defendants;¹ (3) expediting discovery in this proceeding; (4) appointing a receiver over the entity defendants; and (5) prohibiting the defendants from altering, concealing, or destroying relevant documents. As grounds for this motion, the Commission shows as follows:

1. James Torchia is the founder and CEO of a number of businesses that operate under the “Credit Nation” umbrella. Torchia, through Credit Nation Capital, LLC (“CN Capital”) and Credit Nation Acceptance, LLC (“CN Acceptance”), has raised tens of millions of dollars since 2013 through the sale of unregistered securities.

2. CN Capital sells promissory notes to investors promising a 9% return. The notes are advertised on the radio and in newspapers as being “100% asset backed” and “backed by hard assets dollar for dollar.”

3. CN Acceptance sells fractional interests in viatical settlements (“LS Interests”). CN Acceptance represents that it will pay the premiums on the

¹ The Commission may seek the appointment of a Receiver for the defendant entities in the future.

underlying life insurance policy for the life expectancy of the insured plus two years.

4. The consolidated Credit Nation entities are massively insolvent, with assets that dwarf their liabilities and multi-million dollar yearly operating losses. The losses and insolvency have never been disclosed to investors.

5. Credit Nation is, in essence, a Ponzi scheme that cannot afford to make interest payments to note holders or pay premiums on policies underlying the LS Interests without raising money from new investors.

6. Credit Nation's insolvency has been exacerbated by Torchia's misappropriation of hundreds of thousands of dollars since January of 2014. Torchia channeled the misappropriated funds to himself, his family members and to his side businesses, among other illicit uses.

7. The fraud is ongoing, and Credit Nation sold more than \$2 million dollars' worth of securities per month, on average, during the first six months of 2015.

8. The Defendants, by virtue of their conduct, directly or indirectly, have engaged and, unless enjoined, will engage in violations of Sections 5 and 17(a) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77e, 77q(a)], and

Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]. The Commission seeks a temporary restraining order, preliminary and permanent injunctions, an accounting, disgorgement and pre-judgment interest, civil penalties and an asset freeze as to each Defendant.

9. This is brought as an emergency motion because there is an imminent danger the Defendants will dissipate assets that might otherwise be available for an award of disgorgement for the benefit of the defrauded investors. In addition, the Commission has evidence that the violations are continuing in nature.

10. Immediate action by this Court is necessary to prevent the dissipation and removal of assets for the benefit of the defrauded investors, which remain in the control of the Defendants.

WHEREFORE, and for the reasons more fully set forth in the brief in support of this motion, the Commission requests that the Court enter an order in the form attached as Exhibit A.

Dated: November 10th, 2015

Respectfully submitted,

M. Graham Loomis
Regional Trial Counsel

Georgia Bar No. 457868
loomism@sec.gov

/s/ Joshua A. Mayes
Joshua A. Mayes
Senior Trial Counsel
Georgia Bar No. 143107
mayesj@sec.gov

Attorneys for Plaintiff
Securities and Exchange Commission
950 East Paces Ferry Road, NE, Suite 900
Atlanta, GA 30326
Tel:(404) 842-7600
Tel:(404)-842-7666